

### REMARKS

In the Office Action mailed March 22, 2007, the Examiner rejected claims 1-21 under 35 U.S.C. § 103(a) as being unpatentable over Editors (Business Editors, High-Tech Writers Summer Internet World 99, "PocketCard Inc.'s Product Launch at Internet World Summer 99; High-Tech VISA Card Ends Expense Headaches," Business Wire. New York: Jul 21, 1999, pg 1) in view of U.S. Patent No 5,857,079 to Claus et al. (hereinafter "Claus"). Applicants therefore respectfully provide the following:

Claims 1 and 11 are amended. Claims 6-10 and 16-21 are canceled. Claims 22-31 are new.

M.P.E.P. § 2141 sets forth the *Graham* factual enquiries that should be considered when making an obviousness rejection under Section 103: "Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved." (Citing *Graham v. John Deere*, 383 U.S. 1, 148 USPQ 459 (1966).) Additionally, one helpful standard for a Section 103 rejection is set forth in M.P.E.P 706.02(j), which provides:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Applicants respectfully submit that the references cited by the Examiner do not teach or suggest all the limitations from the claim set provided herein. Applicants also respectfully submit that there is no motivation to combine references in the manner proposed by the Examiner and

submit that one of ordinary skill in the art would not reasonably expect success in combining the cited references.

Independent claim 1 requires “establishing a plurality of virtual financial accounts overlaid upon a plurality of actual financial accounts, wherein at least one virtual financial account is overlaid upon multiple actual financial accounts and wherein multiple virtual financial accounts are overlaid upon one actual financial account.” This limitation is not taught or suggested by the cited references. Specifically, neither reference discloses the flexibility of virtual and actual financial accounts claimed in claim 1.

Additionally, the Claus and Editors references are addressed to different problems, and one of skill in the art would not have combined the references in the manner suggested by the Examiner at the time of Applicants’ filing date.

The Examiner has indicated that in arguing against the applicability of Claus, Applicants have not viewed the Claus reference in its entirety. Applicants respectfully disagree, and note that the portions of Claus relied on by the Examiner in the Office Action have been taken out of context of the Claus reference. (See Office Action at page 9, first full paragraph.) For example, the Examiner recites column 1 lines 37-39 of Claus as follows: “most people cannot accurately track their expenses with respect to specific categories.” However, this small quote fails to indicate the true problem being addressed. The full relevant portion of this isolated quote follows a discussion of prior methods of tracking expenditures relying on keeping paper records of individual transactions, and provides:

The key problem however is to enter this information into a spreadsheet program. Not only is the data entry time consuming and boring, it is also prone to mistakes. Because of this key problem, most people cannot accurately track their expenses with respect to specific categories.

(Col 1 lines 34-39, emphasis added) Thus, the problem being addressed by Claus is not the use of virtual accounts overlaid upon actual accounts, but is merely the tracking of purchase information as purchases are made and the later mistake-free and quick transfer of that information into a spreadsheet. (Col 2 lines 5-11)

The Examiner also relies on a short quote from column 1 line 66-column 2 line 2 as follows: “the prior art does not ‘categorize the expenses for which the checks are written nor does it address the problem of the use of credit cards and cash.’” This passage only deals with the cited reference’s limitations of having an electronic checkbook digitizer that does not include the ability to designate the category of transactions and only provides for recording of check transactions without also providing for the recordation of cash or credit transactions.

The Examiner also cites column 6 lines 37-38 as showing “the ability to display total expenditures for all classes, types, and categories.” (Emphasis by Examiner.) However, the Examiner ignores the context of the cited language, which clearly indicates that the ability is related to Block 701 of Figure 7, which details the inner workings of the computer on the smart card of Claus. Reference to that Figure 7 clearly shows that the smart card of Claus does not do what the Examiner appears to be relying on the card as doing: summing categories of expenses across multiple classes and types, and displaying the sum to the user. Block 7 is clearly only the first step in a series of steps, and merely indicates that a button press has been recorded requesting balance information. Instead, Figure 7 clearly shows that any summed-up balances of categories is only within a single class and type. (Please follow the block diagram steps leading to category display 725 through 741, which indicates the total for a single list is shown only.)

Finally, the Examiner relies on column 11, lines 45-47 as showing “the ability to sum the transactions for each list coming up with a single numerical value for each category of an

individual list.” Again, the Examiner has failed to acknowledge that this portion of Claus clearly refers to block 1003 of Figure 13, which block of the figure provides: “For each individual list sum the transaction to determine the subtotal for each category of that list and store the list with class, type, categories and numerical value for each category.” (Figure 13, block 1003, emphasis added.) From this, it is abundantly clear that Claus, in its entirety and as it would be amply understood by one of skill in the art, discloses exactly what Applicants have asserted that it discloses: complete isolation of individual categories at all times, and not what the Examiner has interpreted isolated phrases of the reference to mean in rejecting Applicants’ claims.

The Examiner also rejects Applicants’ contention that the proposed combination of references renders the prior art inoperable. (Office Action at page 11, second full paragraph) Contrary to the Examiner’s assertion that Applicants have overlooked a second implementation of Claus that does not have a display or keyboard, Applicants were fully aware of that implementation but believed that the implementation need not be addressed as the secondary implementation of Claus is entirely more cumbersome to use than the other implementation, as the second implementation not only requires manual entry of the information by the point of sale terminal operator (instead of the card user), but also requires an additional step of reciting the information to be entered manually to the terminal operator, with the added risk of incorrect entry that such a step brings. Specifically, the portion of Claus relied on by the Examiner provides:

In making a transaction with such a smart card [the card without display or keyboard], the user will inform the operator of the POS terminal of the category of the transaction by dictating a number to the operator. The operator will then enter this category number into the POS terminal and at the appropriate time the POS terminal transmits to the smart card a transaction message that comprises the category number, type of transaction, date, payee, and amount information.

(Col 12 lines 28-35, emphasis added.) Thus, the information in this second embodiment of Claus is decidedly not transferred in the automatic fashion required to provide the functionality described in Editors.

Editors and Claus are directed to different problems and one of skill in the art would not find a purpose in combining the references. The Editors reference describes a credit card system that provides multiple cards associated with a single account, where the employer sets individual limits for each card. (Page 1, last paragraph of abstract) The employer can also review all card transactions at any time through a web site. (Page 2, second full paragraph) Thus, Editors is directed to the problem of limiting employees' spending and providing accountability for employees' spending by allowing the employer to monitor that spending at any time.

In contrast, Claus is not directed to any limits of spending, but is merely a system for inputting purchases as they occur into a smart card for later transfer to a computer spreadsheet to solve the "key problem" of later entry of paper records into a spreadsheet. (Abstract, Col. 1 lines 34-39) The system of Claus is therefore directed to an entirely different problem than is the system of Editors, and one of skill in the art would find no purpose in combining the references. As previously discussed, Editors already provides automatic tracking of use of the employees' purchases without the cumbersome manual entry of categories (and the concomitant need to memorize each category number) required by Claus. In light of the differences in purpose and the fact that the system of Claus would be viewed by one of skill in the art as providing no benefit to the system of Editors, Applicants again respectfully submit that one of skill in the art would not be motivated to combine Claus and Editors to arrive at the claimed invention.

The combination of Claus with Editors is therefore inappropriate because it renders the prior art inoperable. M.P.E.P. 2143.01 states that a "proposed modification [to the prior art

reference] cannot render the prior art unsatisfactory for its intended purpose.” The Examiner has proposed adding Claus to Editors so that a single card is utilized to record and categorize transactions for a business expense account. However, using a single card, such as that of Claus to track transactions for the business expense account is contrary to the purpose of the PocketCard accounts disclosed in Editors that are specifically designed to allow tracking of usage across multiple cards by many employees. (See Editors, page 2, 4<sup>th</sup> through 9<sup>th</sup> full paragraphs.)

Editors discloses that the PocketCard accounts are already automatically tracked and expense reports provided to the managers of the employee expense accounts accessed by the PocketCard program. Therefore, one of ordinary skill in the art would not view the system disclosed in Editors as benefiting from the smart card system disclosed in Claus. By comparison with the system in Editors, the system of Claus is slow, outdated, and relies on the individual using the smart card to 1) properly enter a transaction when it occurs (Claus Column 4 line 46-Column 9 line 50 illustrates the myriad steps, button keys, and knowledge of category codes required to properly record a transaction in the Claus smart card system), and 2) load the transaction onto a personal computer and then transmit/transfer the information (assuming it is correct) to the employee’s account systems managers (Claus Column 10 line 17-Column 12 line 21 describes the steps to ensure a proper transfer and spreadsheet account on the personal computer in the Claus system). In contrast, the system of Editors transfers the transaction to the employee expense account managers, with details, as soon as the transaction occurs, with no more effort by the spending employee other than simply swiping the credit card to complete a purchase. (Editors, page 2, 9<sup>th</sup> full paragraph) One of ordinary skill in the art, when presented with these two references, would not conceive of combining the references in the manner

suggested by the Examiner, but would immediately see that the combination would provide no measurable benefit.

Applicants therefore respectfully request removal of the rejection of claim 1.

Independent claim 11 contains similar limitations and is allowable for at least the same reasons.

Claims 2-5 and 12-15 depend from and add additional subject matter to claims 1 or 11, and are at least allowable for the same reasons. Applicants therefore respectfully request removal of all rejections under 35 U.S.C. § 103(a).


New claims 22-31 contain similar limitations and further include additional allowable subject matter and are therefore similarly allowable. Applicants therefore request favorable action with respect to these new claims.

**CONCLUSION**

Applicants submit that the amendments made herein do not add new matter and that the claims are now in condition for allowance. Accordingly, Applicants request favorable reconsideration. If the Examiner has any questions or concerns regarding this communication, the Examiner is invited to call the undersigned.

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Respectfully submitted,

  
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